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OFFICE OF INTERNATIONAL
CORPORATE FINANCE

(Convenience Translation of Financial Statements and
Footnotes Originally Issued in Turkish – See Note 44(d))

**Coca-Cola İçecek
Anonim Şirketi**

AR/S
12-31-06

**Consolidated Financial Statements
As of December 31, 2006
With Report of Independent Auditors**

Coca - Cola İçecek Anonim Şirketi

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Coca-Cola İçecek Anonim Şirketi:

We have audited the accompanying consolidated financial statements of Coca-Cola İçecek Anonim Şirketi (Company) and its subsidiaries (collectively referred to as "the Group") which comprise the consolidated balance sheet as at December 31, 2006, and the consolidated income statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Financial reporting standards issued by Capital Market Board. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with standards on auditing issued by Capital Market Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Coca-Cola İçecek Anonim Şirketi and its subsidiaries as of December 31, 2006, and its financial performance for the year then ended in accordance with financial reporting standards (Note 2) issued by Capital Market Board.

Additional paragraph for convenience translation to English :

The effect of differences between the Financial Reporting Standards published by Capital Market Board in Turkey and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the consolidated financial position and consolidated financial performance of Coca-Cola İçecek Anonim Şirketi and its subsidiaries in accordance with the accounting principles generally accepted in such countries and IFRS.

Güney Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik Anonim Şirketi
An Affiliated Firm of Ernst & Young International

Ethem Kutucular, SMMM
Partner

March 29, 2007
Istanbul, Turkey

Coca-Cola İçecek Anonim Şirketi**Consolidated Balance Sheet****As at December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

ASSETS	Notes	Audited	
		December 31, 2006	December 31, 2005
Current Assets		406.896	316.609
Cash and Cash Equivalents	4	50.850	44.136
Investments in Securities (net)	5	4.754	4.415
Trade Receivables (net)	7	137.481	116.988
Finance Lease Receivables (net)	8	-	-
Due from Related Parties (net)	9	4.893	4.436
Other Receivables (net)	10	23.466	30.332
Biological Assets (net)	11	-	-
Inventories (net)	12	165.935	112.835
Receivables from Continuing Construction Contracts (net)	13	-	-
Deferred Tax Asset	14	-	-
Other Current Assets	15	19.517	3.467
Non-current Assets		1.051.319	899.285
Trade Receivables (net)	7	-	-
Finance Lease Receivables (net)	8	-	-
Due from Related Parties (net)	9	-	-
Other Receivables (net)	10	-	-
Investments (net)	16	2.535	2.643
Positive/Negative Goodwill (net)	17	38.685	36.928
Investment Property (net)	18	-	-
Property, Plant and Equipment (net)	19	721.786	594.730
Intangible Assets (net)	20	271.221	249.983
Deferred Tax Asset	14	8.462	-
Other Non Current Assets	15	8.630	15.001
Total Assets		1.458.215	1.215.894

The explanatory notes on pages 5 through 48 form an integral part of the consolidated financial statements.

Coca-Cola İçecek Anonim Şirketi**Consolidated Balance Sheet****As at December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

LIABILITIES	Notes	Audited	
		December 31, 2006	December 31, 2005
Current Liabilities		388.097	451.073
Short-term Borrowings (net)	6	212.094	320.498
Current Portion of Long-Term Borrowings (net)	6	1.724	9.576
Finance Lease Payables (net)	8	285	1.231
Other Financial Liabilities (net)	10	-	-
Trade Payables (net)	7	70.380	45.855
Due to Related Parties (net)	9	34.655	34.197
Advances Taken	21	-	-
Payable from Continuing Construction Contracts (net)	13	-	-
Provisions	23	13.375	13.475
Deferred Tax Liability	14	-	-
Other Liabilities (net)	10	55.584	26.241
Non-current Liabilities		204.026	44.226
Long-term Borrowings (net)	6	163.522	8.722
Finance Lease Payables (net)	8	93	-
Other Financial Liabilities (net)	10	-	-
Trade Payables (net)	7	-	-
Due to Related Parties (net)	9	-	-
Advances Taken	21	-	-
Provisions	23	20.191	17.153
Deferred Tax Liability	14	20.220	18.351
Other Liabilities (net)	10	-	-
MINORITY INTEREST	24	17.351	54.347
EQUITY		848.741	666.248
Share Capital	25	254.371	249.589
Share Capital Subsidiaries Elimination	25	-	(57.821)
Capital Reserves		205.682	161.698
Share Premium	25	214.241	170.257
Income on common stock disposals		-	-
Revaluation fund		-	-
Financial assets value increment fund		-	-
Equity inflation adjustment differences	26-27-28	(8.559)	(8.559)
Profit Reserves	26-27-28	87.087	33.919
Legal Reserves		43.846	30.507
Statutory Reserves		-	-
Extraordinary Reserves		43.241	3.412
Special Reserves		-	-
Gain on Sale of Participation and Property, Plant and Equipment to be Transferred to the Share Capital		-	-
Currency Translation Adjustment	2	15.439	-
Net Income / (Loss)		86.707	87.282
Accumulated Profits	26-27-28	199.455	191.581
Total Liabilities and Equity		1.458.215	1.215.894

The explanatory notes on pages 5 through 48 form an integral part of the consolidated financial statements.

Coca-Cola İçecek Anonim Şirketi**Consolidated Income Statement****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

	Notes	Audited	
		December 31, 2006	December 31, 2005
Operating Income			
Net Sales	36	1.667.171	1.183.878
Cost of Sales (-)	36	(1.142.170)	(822.899)
Service Income (net)		-	-
Other Operating Income (net)		-	-
Gross Profit		525.001	360.979
Operating Expense (-)	37	(348.494)	(247.411)
Profit From Operations, net		176.507	113.568
Other Income from Operations	38	53.730	22.121
Other Expense from Operations (-)	38	(47.430)	(14.665)
Financial Expense (-)	39	(80.040)	(11.770)
Operating Profit / (Loss)		102.767	109.254
Net Monetary Gain		-	-
Minority Interest	24	(4.090)	(768)
Income Before Tax		98.677	108.486
Tax Charge	41	(11.970)	(21.204)
Net Income		86.707	87.282
Earnings / Per Share (full YTL)	42	0,0035	0,0038

The explanatory notes on pages 5 through 48 form an integral part of the consolidated financial statements.

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****1. CORPORATE INFORMATION and NATURE OF ACTIVITIES****General**

Coca-Cola İçecek Anonim Şirketi (“CCI” – “the Company”), is one of the leading bottler and distributor of alcohol-free beverages in Southern Asia (defined as Turkey, the Caucasus, Central Asia) and the Middle East. The operations of the Company consist of production, selling and distribution of carbonated and non-carbonated beverages with The Coca-Cola Company (“TCCC”) trademarks. The Company has six production facilities in different regions of Turkey and operates five factories in countries other than Turkey. The registered office address of CCI is Esenşehir Mah. Erzincan Cad. No:36 Ümraniye 34776 İstanbul, Turkey.

The Group consists of the Company and its subsidiaries.

Shareholders of the Company

As of December 31, 2006 and 2005 the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	December 31, 2006		December 31, 2005	
	Nominal Amount	Percentage	Nominal Amount	Percentage
Anadolu Efes Biracılık ve Malt Sanayi A.Ş. (“Anadolu Efes”)	102.047	%40,12	102.047	%40,89
The Coca-Cola Export Corporation (“TCCEC”)	51.114	%20,09	89.514	%35,86
Efes Pazarlama Dağıtım Ticaret A.Ş. (“Efpa”)	25.788	%10,14	25.788	%10,34
Özgörkey Holding A.Ş.	12.771	%5,02	19.695	%7,89
Coca-Cola Satış ve Dağıtım A.Ş. (“CCSD”)	-	-	12.534	%5,02
Publicly Traded Portion	62.640	%24,63	-	-
Other	11	%0,00	11	%0,00
	254.371	%100,00	249.589	%100,00
Restatement Effect	(8.559)	-	(8.559)	-
	245.812		241.030	

Nature of Activities of the Group

The Company has the right to exclusively produce, sell and distribute TCCC beverages in authorized packages with TCCC’s trademarks, including Coca-Cola, Coca-Cola light, Fanta, Sprite, Cappy, Sen Sun, Powerade, Burn, Turkuaz and Doğazen throughout Turkey, with Bottler’s and Distribution Agreements signed between the Company and TCCEC, shareholders of the Company, The Bottler’s and Distribution Agreements are renewed in 2006 and were extended to June 30, 2016. In addition, under the Bottler’s and Distribution Agreements signed between Schweppes Holdings Limited the Company has the exclusive right in Turkey, to produce, sale and distribute beverages under the Schweppes trademark. Agreements are valid respectively until June 30, 2016, December 30, 2010 and May 9, 2009 for Turkey, Kazakhstan and Jordan. Under Bottler’s and Distribution Agreements signed between Beverage Partners Worldwide (Europe) A.G. and the Company, expiring on June 30, 2009, the Company has the exclusive right in Turkey, to produce, sale and distribute beverages bearing the Nestea and Nescafe Xpress trademarks.

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)**

The Company's international subsidiaries operating outside of Turkey are engaged in the production, sale and distribution of carbonated and non-carbonated beverages with TCCC trademarks and also Efes products that are owned by Anadolu Efes outside Turkey. The Group has five factories in different countries. In addition to these, the Group has minority shares in a bottling company of Coca-Cola products operating in Turkmenistan.

Mahmudiye Kaynaksuyu Limited Şirketi ("Mahmudiye"), which is a subsidiary acquired by CCI on March 16, 2006, operates in the bottling, sale and distribution of natural spring water in Turkey.

Subsidiaries and Joint Ventures*Subsidiaries*

As of December 31, 2006 and 2005 the list of CCI's subsidiaries and their effective participation percentages are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights %	
			December 31, 2006	December 31, 2005
CCSD	Turkey	Distribution and sales of CCI products in Turkey	99,96%	99,96%
Mahmudiye	Turkey	Filling, distribution and sales of natural source water	99,99%	-
Efes Sinai Yatırım Holding A.Ş. ("Efes Sinai")	Turkey	Holding company managing beverage operations outside Turkey	-	87,63%
J.V. Coca-Cola Almaty Bottlers Limited Liability Partnership ("Almaty CC")	Kazakhstan	Production, bottling, distribution and selling of Coca-Cola and distribution of Efes products	87,49%	76,71%
Azerbaijan Coca-Cola Bottlers LLC ("Azerbaijan CC")	Azerbaijan	Production, bottling, distribution and selling of Coca-Cola products	89,90%	78,78%
Coca-Cola Bishkek Bottlers Closed Joint Stock Company ("Bishkek CC")	Kyrgyzstan	Production, bottling, distribution and selling of Coca-Cola and distribution of Efes products	90,00%	78,87%
Efes Invest Holland BV ("Efes Invest Holland")	Holland	Holding company	100,00%	87,63%
Tonus Joint Stock Co. ("Tonus")	Kazakhstan	Holding company	92,14%	81,45%
The Coca-Cola Bottling Company of Jordan Ltd. ("TCCBCJ")	Jordan	Production, bottling, distribution and selling of Coca-Cola products	90,00%	78,87%
Efes Sinai Dış Ticaret A. Ş. ("Efes Sinai Dış Ticaret")	Turkey	Foreign trade company located in Tuzla Free Zone	99,00%	86,75%

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)*Joint Venture*

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights % December 31, 2006	Effective Shareholding and Voting Rights % December 31, 2005
The Coca-Cola Bottling of Iraq FZCO ("CCBI")	Dubai	Holding Company	50,00%	43,82%

Working Environments and Economic Conditions of Subsidiaries in Foreign Countries

The countries, in which certain subsidiaries are operating, have undergone substantial political and economical changes in the recent years. These countries do not possess well-developed business infrastructures and accordingly the operations in such countries might carry risks, which are not typically associated with those in more developed markets. Uncertainties regarding the political, legal, tax and/or regulatory environment, including the potential for adverse changes in any of these factors, could significantly affect the subsidiaries' ability to operate commercially.

Changes in Group Structure

At the Extraordinary General Assembly Meetings of the Company and its subsidiary Efes Sinai dated December 18, 2006, it is concluded that CCI will take over Efes Sinai in whole with all existing assets and liabilities of Efes Sinai based on the audited consolidated financial statements of CCI and Efes Sinai as of June 30, 2006 and the merger of these two companies eventuate in accordance with Turkish Commercial Code ("TCC") article 451, Corporate Tax Law numbered 5520 article 17,18,19,20 and the Communiqué of Capital Market Board ("CMB") related with "Principles of Business Combinations". The merger transaction was completed on December 25, 2006.

With in the framework of the merger of CCI and Efes Sinai, the share capital of CCI is increased by YTL 4.782 and all 478.101.200 unit Type 4 Group C shares of CCI, with a nominal value of Ykr 1 each, that represent the increased share capital, are distributed as free shares to the minority shareholders of Efes Sinai on December 27, 2006 at the merger date. As a result of the mentioned merger transaction, Efes Sinai does no longer exists and effective from the beginning date of the share swap, its shares are not traded in Istanbul Stock Exchange anymore.

As a result of the merger between CCI and Efes Sinai, the minority interest amounting to YTL 45.731 that is acquired from the minority shareholders of Efes Sinai at December 25, 2006 is transferred to share premium and accumulated profits under shareholders' equity.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

1. CORPORATE INFORMATION and NATURE OF ACTIVITIES (continued)

Average Number of Employees

Category-based number of employees working during the period is as follows:

	December 31, 2006	December 31, 2005
Blue-collar	1.971	1.826
White-collar	2.207	2.083
Average number of employees	4.178	3.909

The consolidated financial statements of the Group are approved by Chief Financial Officer as to be presented on March 29, 2007. General Assembly has the right to make amendments on statutory financial statements after the issuance.

2. BASIS OF PRESENTATION

Basis of Preparation

The consolidated financial statements of the Group have been prepared on a historical cost basis in accordance with reporting and accounting standards issued by CMB (“CMB Accounting Standards”). CMB has issued a comprehensive set of accounting standards in CMB Communiqué Serial XI, No: 25 “Communiqué for the Accounting Standards in Capital Markets”. In this Communiqué, CMB stated that the application of accounting standards prescribed by the International Accounting Standards Board (“IASB”) and International Accounting Standards Committee (“IASC”) will also be considered to be compliant with CMB Accounting Standards as an alternative. With a resolution taken on March 17, 2005, CMB has declared that the application of inflation accounting is no longer required for the companies operating in Turkey which are preparing financial statements in accordance with CMB Accounting Standards effective from January 1, 2005. The consolidated financial statements and footnotes are presented using the compulsory standard formats prescribed by CMB.

CCI and its subsidiaries incorporated in Turkey maintain their books of account and prepare their statutory financial statements in New Turkish Lira (“YTL”) in accordance with the regulations on accounting and reporting framework and accounting standards promulgated by the CMB, TCC and Tax Legislation and the Uniform Chart of Accounts issued by the Ministry of Finance. The subsidiaries incorporated outside of Turkey maintain their books of account and prepare their financial statements in accordance with the regulations of the countries in which they operate.

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****2. BASIS OF PRESENTATION (continued)****Functional and Reporting Currency**

Functional and reporting currency of the Company is YTL.

In accordance with CMB announcement No. 11/367 dated March 17, 2005; since the objective conditions for the restatement in hyperinflationary economies is no longer available and CMB foresees that the indications of the realization of these conditions in the near future are not valid, the financial statements were restated until December 31, 2004 in accordance with IAS 29. Therefore, the non-monetary assets and liabilities and components of shareholders' equity including share capital reported in the balance sheet as of December 31, 2006 are derived by indexing the additions occurred until December 31, 2004 to December 31, 2004 and carrying the additions after this date with their nominal amounts.

Restatement of the consolidated balance sheet and consolidated income statement items through the use of the general price index and relevant conversion factors does not necessarily mean that the Group could realize or settle the same values of assets and liabilities as indicated in the consolidated balance sheets. Similarly, it does not necessarily mean that the Group could return or settle the same values of equity to its shareholders.

Functional Currencies of the Subsidiaries and Joint Venture

	December 31, 2006		December 31, 2005	
	Local Currency	Functional Currency	Local Currency	Functional Currency
CCSD	New Turkish Lira	New Turkish Lira	New Turkish Lira	New Turkish Lira
Mahmudiye	New Turkish Lira	New Turkish Lira	-	-
Efes Sinai	-	-	New Turkish Lira	U.S. Dollars
Azerbaijan CC	Manat	U.S. Dollars	Manat	U.S. Dollars
Almaty CC	Kazakh Tenge	U.S. Dollars	Kazakh Tenge	U.S. Dollars
Bishkek CC	Som	U.S. Dollars	Som	U.S. Dollars
Efes Invest Holland	Euro	U.S. Dollars	Euro	U.S. Dollars
Tonus	Kazakh Tenge	U.S. Dollars	Kazakh Tenge	U.S. Dollars
Efes Sinai Dış Ticaret	New Turkish Lira	U.S. Dollars	New Turkish Lira	U.S. Dollars
TCCBCJ	Jordanian Dinar	U.S. Dollars	Jordanian Dinar	U.S. Dollars
J.V. Dubai	UAE Dirham	U.S. Dollars	UAE Dirham	U.S. Dollars

The multinational structure of foreign entities and realization of most of their operations in terms of U.S. Dollars ("USD") resulted in determination of these companies' functional currency as USD. The majority of the foreign consolidated subsidiaries and joint venture are regarded as foreign entities since they are financially, economically and organizationally autonomous.

Since the local and functional currency of foreign entities is determined as USD in the consolidated financial statements, USD amounts presented in the balance sheet as of December 31, 2006 are translated into New Turkish Lira at the official YTL exchange rate for purchases of USD announced by the Central Bank of the Republic of Turkey on December 31, 2006, USD 1,00 (full) = YTL 1,4056 (December 31, 2005; USD 1,00 (full) = YTL 1,3418). Furthermore, USD amounts in the income statement for the year ended December 31, 2006 have been translated into YTL, at the average YTL exchange rate for purchases of U.S. Dollars for the year end, is USD 1,00 (full) = YTL 1,4297 (January 1, - December 31, 2005; USD 1,00 (full) = YTL 1,3388).

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

2. BASIS OF PRESENTATION (continued)

Reclassifications on Prior Year Financial Statements

The Group has made certain reclassifications in the consolidated balance sheet as of December 31, 2005 to be consistent with the current year presentation.

Deposits and advances received amounting to YTL 10.150 are reclassified to other liabilities from trade payables to be comparable with the current year presentation. Furthermore, due to personnel amounting to YTL 1.458 is reclassified from other liabilities to due to related parties. Promotion materials amounting to YTL 8.086 classified under prepaid expenses in the consolidated balance sheet as of December 31, 2005 are reclassified to inventories in the current year.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Estimation Uncertainty

Group management has to make key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have significant risks of causing a material adjustment to the carrying amounts of assets and liabilities in the preparation of consolidated financial statements. Actual results may be different from estimations. These estimations are reviewed at each balance sheet date; required corrections are made and reflected in the results of operations of the related period.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of CCI and its subsidiaries prepared as of December 31, 2006 and 2005. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. The consolidated financial statements cover CCI and the subsidiaries it controls. This control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The equity and net income attributable to minority shareholders' interests are shown separately in the consolidated balance sheet and consolidated income statement, respectively.

Intercompany balances and transactions, including intercompany profits and unrealized profits and losses, are eliminated. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The Group's investment in associates is accounted for under the equity method of accounting. The investment in associates is carried in the consolidated balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associates, less any impairment in value. The consolidated income statement reflects the Group's share of the results of operations of the associates.

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****2. BASIS OF PRESENTATION (continued)**

On March 16, 2006, the Company has acquired the 99,99% shares of Mahmudiye that started its operations on June 16, 2004 for an amount of YTL 10.940. In accordance with International Financial Reporting Standards (IFRS) 3 *Business Combinations*, negative difference between the net asset value derived from the fair value financial statements of Mahmudiye and the acquisition cost of the Company amounting to YTL 770 has been booked as negative goodwill under “other income from operations” in the consolidated income statement prepared as of December 31, 2006.

Intangible assets identified in the fair value financial statements of Mahmudiye amounting to YTL 9.992 represent “Water Sources Usage Rights” and amortised over their useful lives on a straight line basis. Since the acquisition realized on March 16, 2006, the consolidated income statement reflects the results of Mahmudiye only for the period between March 17, 2006 and December 31, 2006. Net income of Mahmudiye for this period is amounting to YTL 432.

The fair values of net assets of Mahmudiye as of the acquisition date are as follows:

	Fair Value	Carrying Value
Trade receivables	60	60
Other current assets	237	237
Tangible assets	5.937	2.969
Intangible assets	9.992	-
Financial liabilities	(589)	(589)
Trade payables	(99)	(99)
Other liabilities	(1.225)	(1.225)
Deferred tax liability	(2.603)	-
Fair value of identifiable net assets	11.710	1.353
Shareholding percentage acquired	%99,99	
Fair value of identifiable net assets acquired by the Group	11.710	
Total cash consideration	10.940	
Negative goodwill (Note 38)	770	

87.63% shares of Efes Sinai has been acquired by CCI in 2005 and the companies merge on December 25, 2006 as described with the details in Note 1. Fair value financial statements of Efes Sinai have been prepared in 2005 in accordance with IFRS 3 *Business Combinations* for the consolidation purposes and the positive difference amounting to YTL 36.928 between the net asset value of Efes Sinai according to fair value accounting and the acquisition price was recorded as goodwill in the consolidated financial statements prepared as of December 31, 2005. Intangible assets amounting to YTL 243.268 which have been recognized on acquisition of Efes Sinai during the consolidation represent the Bottlers Agreements and Distribution Agreements signed between subsidiaries of Efes Sinai and TCCC. The Company considers that based on the relevant facts there is no foreseeable limit to the period over which such assets are expected to generate cash inflows for the Group and that the agreements will be renewed with no significant cost. The intangible assets relating to the Bottlers and Distribution Agreements are therefore not amortized but will be tested for impairment annually. Since the acquisition realized on November 14, 2005, the 2005 consolidated income statement reflects the results of Efes Sinai only for the period between November 15, 2005 and December 31, 2005. Net Income of Efes Sinai for this period is YTL 7.241.

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****2. BASIS OF PRESENTATION (continued)**

The fair values of net assets of Efes Sınai, 87,63% of the shares of which was acquired by the Company in the last quarter of 2005, determined using the exchange rate for purchases prevailing at the date of acquisition (November 2005) are as follows:

	Fair Value	Carrying Value
Cash and cash equivalents	18.984	18.984
Investment in securities	450	450
Trade receivables – net	4.441	4.441
Due from related parties	2.995	2.995
Inventories – net	12.198	12.198
Other current assets	6.259	6.259
Investment in associate	2.749	2.749
Property, plant and equipment - net	106.921	112.516
Intangibles	245.610	1.075
Goodwill	2.057	2.057
Other non-current assets	3.892	(5.489)
Deferred tax asset / (liabilities)	295	295
Borrowings	(37.581)	(37.581)
Trade payables – net	(12.781)	(12.781)
Due to related parties	(4.716)	(4.716)
Other accruals and liabilities	(5.771)	(5.771)
Minority interest	(10.156)	(10.156)
Fair value of identifiable net assets	335.846	87.525
Shareholding percentage acquired	%87,63	
Fair value of identifiable net assets acquired by the Group	294.302	
Total cash consideration	331.230	
Fair value of identifiable net assets acquired by the Group	(294.302)	
Goodwill	36.928	
Total cash consideration	331.230	
Net cash acquired with the subsidiary	(18.984)	
Net cash consideration	312.246	

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

2. BASIS OF PRESENTATION (continued)

On November 18, 2005, a “Share Purchase Agreement” was signed between Efes Invest Holland and Atlantic Industries, Inc., an indirect subsidiary of TCCC, regarding the sale of 90% of the shares of TCCBCJ, which is 100% owned by Atlantic Industries and exclusively conducts the Coca-Cola bottling operations in Jordan, for an amount of YTL 8,534 to Efes Invest Holland. Since this acquisition realized on December 29, 2005, the consolidated income statement of CCI for the financial year 2005 does not reflect the acquisition of TCCBCJ, but the consolidated balance sheet as of December 31, 2005 reflects the acquisition of TCCBCJ.

Coca-Cola Kuban Bottlers A.O. (“Kuban”) which was 100% owned by the Group and carried at cost with a full provision for the carrying value as of December 31, 2005 was liquidated on April 25, 2006 with a legal resolution.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances, short-term deposits and checks dated on or before the relevant period end which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

Investments in Securities

All investments in securities are measured at cost value that was paid to acquire the asset plus the expenses incurred during the acquisition and considered to reflect the fair value of the related investment.

After initial recognition, investments that are classified as available-for-sale are measured at fair value. Gains or losses on available-for-sale investments are recognized in equity until the investment is sold, collected or otherwise disposed of, or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Interest calculated on available-for-sale investments calculated using the effective interest rate is reported as interest income. Dividends collected are collected as dividend income on the date of collection. For available-for-sale investments that are actively traded in organized financial markets, fair value is determined by reference to quoted market bid prices at the close of business on the balance sheet date.

Investments that are intended to be held to maturity, such as government bonds, are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

Trade Receivables

Trade receivables, which generally have payment terms of 15-65 days, are recognized at original invoice amount less doubtful receivable and are discounted. An estimate for doubtful debt is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

Provision for doubtful receivables is reflected as expense in the income statement. The provision is the amount that is proposed to compensate the losses that possibly occur due to economic conditions expected by the Group or the risks carried as a part of the nature of the account.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Inventories

Inventories are valued at the lower of cost or net realizable value, less provision for obsolete and slow moving items. Net realizable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost includes all costs incurred in bringing the product to its present location and condition, and is determined primarily on the basis of weighted average cost method.

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Buildings and Leasehold Improvements	25 - 40 years
Machinery and Equipment	6 - 15 years
Furniture and Fixtures	5 - 10 years
Vehicles	5 - 10 years
Other Tangible Assets	5; 9 - 12 years

Other tangible assets mainly consist of premix and carbon dioxide tanks, coolers, vending machines and dispensing equipment having estimated useful life between 9 and 12 years and also include pallets, returnable bottles and cases, which are depreciated over 5 years. The deposit liabilities related to returnable bottles are reflected in related accounts. The Group also sells products in non-returnable bottles for which there is no deposit obligation.

Repair and maintenance costs are expensed as incurred. There are no repair and maintenance costs capitalized as part of property, plant and equipment.

All costs incurred for the construction of property, plant and equipment are capitalized and are not depreciated until the asset is ready for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount. The recoverable amount (net realizable value) of property, plant and equipment is the greater of net selling price and value in use. Value in use is assessed by discounting future cash flows to their present value using a pre-tax discount rate that reflects current market conditions and the risks specific to the asset. If the related asset is not a unit that generates cash inflows by itself, the recoverable amount is determined for the cash-generating unit to which the asset belongs. Impairment losses are recognized in the income statement.

Intangible Assets

Intangible assets acquired separately are measured on initial acquisition at cost. The cost of an intangible asset acquired in a business combination is recognized at fair value, if its fair value can be reliably measured. Intangible assets, excluding development costs, created within the business are not capitalized and expenditure is charged against profits in the year in which it is incurred. Intangible assets are amortized on a straight-line basis over the best estimate of their useful lives.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In the scope of consolidation, intangible assets identified in 2005 fair value financial statements of Efes Sınai represent the “Bottlers and Distribution Agreements” that are signed with TCCC. Since the Company management expects to renew these agreements without any additional costs after expiration, it is decided that there is no need to set a time constraint. The intangible assets relating to the Bottlers and Distribution Agreements are therefore not amortized.

In the scope of consolidation, the intangible assets identified in the fair value financial statements of Mahmudiye represent the “Water Sources Usage Right” of Mahmudiye and amortized on a straight-line basis over their useful lives, which are between 10 and 40 years.

The carrying values of intangible assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill

Goodwill represents the excess of the cost of the acquisition over the fair value of identifiable net assets of the acquired business, at the date of acquisition. Goodwill which arose from the acquisition before March 31, 2004 was amortized on a straight-line basis over its useful economic life up to a presumed maximum of 10 years until December 31, 2004.

In accordance with IFRS 3, the Group ceased to amortize goodwill arising from the business combinations before March 31, 2004, starting from the beginning of the annual accounting period beginning on or after March 31, 2004 (January 1, 2005) and reviewed for impairment. Goodwill arising from acquisitions on or after March 31, 2004 is not amortized but is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Recognition and Derecognition of Financial Assets and Liabilities

The Group recognizes a financial asset or financial liability in its consolidated balance sheet when and only when it becomes a party to the contractual provisions of the instrument. The Group derecognizes a financial asset or a portion of a financial asset when and only when it loses control of the contractual rights that comprise the financial asset or a portion of a financial asset. The Group derecognizes a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

Borrowings

All borrowings are initially recognized at cost.

After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses are recognized in net profit or loss when the liabilities are derecognized, as well as through the amortization process.

Borrowing Costs

Borrowing costs are generally expensed as incurred.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases (Group as a lessee)

a) Finance Lease

Finance leases, which transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges calculated over fixed interest rate are charged directly against income. Capitalized leased assets are depreciated over the estimated useful life of the asset.

b) Operating Lease

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

Trade Payables

Trade payables which generally have 7-30 day terms are carried at amortized cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not they are billed to the Group.

Employee Benefits

Turkish Entities

(a) Defined Benefit Plans

The reserve for employee termination benefits is provided for in accordance with IAS 19 “Employee Benefits” and is based on actuarial study.

In the consolidated financial statements, the Group has reflected a liability calculated using the “Projected Unit Credit Method”. According to the valuations made by qualified actuaries, all actuarial gains and losses that were not booked yet are recognized in the income statement in the case that they are above 10% of the retirement pay liability. The employee termination benefits are discounted to the present value of the estimated future cash outflows using the interest rate estimate of qualified actuaries. Actuarial gains or losses were recognized considering the average number of years remaining to employees’ completing their services.

Actuarial assumptions used to determine net periodic pension costs are as follows as of balance sheet dates:

	December 31, 2006	December 31, 2005
Weighted average discount rate	12%	%16
Weighted average rate of compensation increases	6,175%	%10

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Defined Contribution Plan

The Group pays contributions to the Social Security Institution of Turkey on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

Foreign Subsidiaries

There are no accumulated obligations related to defined contribution plan for the subsidiaries of the Company operating outside Turkey. Azerbaijan CC contributes to the Azerbaijan Republic state pension and social insurance funds. These contributions are expensed as incurred. Bishkek CC contributes to the Kyrgyz state pension, social insurance, medical insurance, and unemployment funds on behalf of its employees. Bishkek CC's contributions amount to approximately 33% of employees' salaries and are expensed as incurred. Bishkek CC has no other program or obligation for payment of post retirement benefits to its employees.

Almaty CC pays 21% of gross income as social insurance taxes to the Government of Republic of Kazakhstan, which represents its contribution to the post retirement benefits of its employees. Almaty CC also withholds and contributes 10% of the salary of its employees as the employees' contribution to their designated pension funds. Under the legislation, employees are responsible for their retirement benefits and Almaty CC has no present or future obligation to pay its employees upon their retirement. Almaty CC has no other program or obligation for payment of post retirement benefits to its employees.

TCCBCJ pays 16,5% of employees' gross salaries as contribution to Jordan Social Security Department. This amount will be paid to employee by the social security department, after their retirements. TCCBCJ has no other program or obligation for payment of post retirement benefits to its employees.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

Revenue Recognition

Sale of Goods

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably. In the consolidated financial statements, net sales are reflected after deducting sales discounts, VAT and sales taxes. Sales discounts consist of deductions from sales and the cost of free promotional materials.

Interest Income

Income is recognized as the interest accrues.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Taxes

Tax expense (income) is the aggregate amount included in the determination of net profit or loss for the period in respect of current and deferred taxes.

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax liabilities are recognized for all taxable temporary differences.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Foreign Currency Translation

Each entity within the Group translates its foreign currency transactions and balances into its functional currency by applying the exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange rate differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized in the income statement in the period in which they arise.

Geographical Segments

For management purposes, the Group is organized into two major geographical areas as domestic and foreign. These areas are the basis upon which the Group reports its segment information. Financial information on geographical segments is presented in Note 33.

Earnings Per Share

Basic earnings per share (EPS) is calculated by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the reporting periods. The weighted average number of shares outstanding during the year has been adjusted in respect of free shares issued without corresponding increase in resources.

Subsequent Events

Post period-end events that provide additional information about the Group's position at the balance sheet date (adjusting events), are reflected in the financial statements and footnotes. Post period-end events that are not adjusting events are disclosed in the notes when material.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contingent Assets and Liabilities

Contingent liabilities are not recognized in the financial statements but only disclosed, unless the possibility of an outflow of resources embodying economic benefits is probable. A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Financial Instruments

Financial Risk Management Objectives and Policies

The Group's principal financial instruments comprise bank borrowings, finance leases, cash and short-term deposits and investments in securities. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Group's management reviews and agrees policies for managing each of these risks which are summarized below. The Group also monitors the market price risk arising from all financial instruments.

Foreign Currency Risk

The Group is exposed to exchange rate fluctuations due to the nature of its business. This risk occurs due to imports, purchases, sales and bank borrowings of the Group which are denominated in currencies other than the functional currency. The Group uses forward contracts amounting to USD 35 million to hedge its risk associated with foreign currency fluctuations as of December 31, 2006. These risks are also monitored and limited by the analysis of the foreign currency position.

Liquidity Risks

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans.

Credit Risk

Financial instruments that potentially subject the Group to significant concentration of credit risk consist principally of cash, available-for-sale and held-to-maturity securities and trade receivables. The Group maintains cash and cash equivalents with various financial institutions. It is the Group's policy to limit exposure to any one institution and revalue the credibility of the related institutions continuously.

The credit risk associated with trade receivables is partially limited due to a large customer base and due to management's limitation on the extension of credit to customers. The Group generally requires collateral to extend credit to its customers excluding its dealers.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Interest Rate Risk

Certain parts of the interest rates related to borrowings are based on market interest rates; therefore the Group is exposed to interest rate fluctuations on domestic and international markets. The Group's exposure to market risk for changes in interest rates relates primarily to the Group's debt obligations. The Group manages interest rate risk arising from the interest rate fluctuations on international markets, by using interest rate swap agreements through the use of borrowings amounting to of USD 50 million and EUR 41,2 million as of December 31, 2006. These exposures are also managed by using natural hedges that arise from offsetting interest rate sensitive assets and liabilities. The interest rates of financial assets and liabilities are as indicated in the related disclosures.

Fair Values

Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and best evidenced by a quoted market price, if one exists.

Foreign currency-denominated financial assets and liabilities are revalued at the exchange rates prevailing at the balance sheet dates.

The following methods and assumptions were used in the estimation of the fair value of the Group's financial instrument:

Financial Assets – The fair values of certain financial assets carried at cost, including cash and cash equivalents and held to maturity investments plus the respective accrued interest are considered to approximate their respective carrying values due to their short-term nature and negligible credit losses. The carrying values of trade receivables along with the related allowances for uncollectibility are estimated to be their fair values.

Financial Liabilities – The fair values trade payables and other monetary liabilities are estimated to approximate carrying value due to their short-term nature. The fair values of bank borrowings are considered to approximate their respective carrying values, since the initial rates applied to bank borrowings are updated periodically by the lender to reflect active market price quotations. The carrying values of trade payable are estimated to be their fair values due to their short term nature

Derivative Instruments

The Group uses derivative instruments to avoid the occurrence of foreign currency and interest rate risks from its operational and financial activities. Derivative instruments are initially measured at cost. After initial recognition derivatives are measured at fair value, and changes are reflected in the income statement.

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

4. CASH AND CASH EQUIVALENTS

	December 31, 2006	December 31, 2005
Cash on hand	864	720
Cash in banks		
-Time	28.177	32.942
-Demand	18.441	8.789
Cheques	3.368	1.685
Cash and cash equivalents on cash flow statement	50.850	44.136

As of December 31, 2006 time deposits in foreign currencies equivalent to YTL 9.782 (December 31, 2005- YTL 6.145), existed for periods varying between one week and two months (December 31, 2005- three days to three weeks) and earned interest between 5,25%- 8% (December 31, 2005- 2%-4,5%). As of December 31, 2006 time deposit in local currency amounting to YTL 18.395 (December 31, 2005- YTL 26.797) was made for four days (December 31, 2005- three days) and earned interest by 19,25% (December 31, 2005- 14,50%). As of December 31, 2006, foreign currency time deposit that have one month maturity and amounting to YTL 533 was kept as a reserve account which was held as a collateral by a bank for a Letter of Credit.

As of December 31, 2006, there is YTL 52 (December 31, 2005- 479 YTL) interest income accrual on time deposits.

5. INVESTMENTS IN SECURITIES

	December 31, 2006	December 31, 2005
Available for sale securities at fair value		
Mutual funds	4.116	3.637
Held to maturity securities at amortized cost		
Government bonds- Foreign currency denominated	638	778
	4.754	4.415

As of December 31, 2005, foreign currency denominated government bonds amounting to YTL 493 were kept as a reserve account, which was held as collateral by a foreign bank for the future interest payments on a loan equivalent to USD 34.000.000 and that matured in 2006 obtained by CCI from a foreign consortium in 1999. This loan has been totally repaid and closed by the Group as of December 31, 2006.

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

6. BORROWINGS

	December 31, 2006	December 31, 2005
Short-term borrowings	212.094	320.498
Current portion of long-term borrowings	1.724	9.576
Total short-term borrowings	213.818	330.074
Long-term borrowings	163.522	8.722
Total long-term borrowings	377.340	338.796

As of December 31, 2006, the principal amount of total borrowings is YTL 373.159 (December 31, 2005- YTL 334.977) on which there is interest expense accrual amounting to YTL 4.181 (December 31, 2005- 3.819 YTL).

Short and long-term borrowings denominated in YTL and foreign currencies as of December 31, 2006 and 2005 are as follows:

	December 31, 2006		December 31, 2005	
	Short-term	Long-term	Short-term	Long-term
USD	115.414	87.093	195.480	8.722
Euro	18.984	76.429	82.375	-
YTL	74.318	-	45.484	-
Kazakh Tenge	5.102	-	-	-
Jordanian Dinar	-	-	6.735	-
	213.818	163.522	330.074	8.722

The effective interest rates at the balance sheet date are as follows:

	December 31, 2006	December 31, 2005
Short-term		
USD denominated borrowings	Libor+(0,5%)- 8%	Libor+(0,45%)- 8%
EUR denominated borrowings	4,31%	Euribor+(0,85%)- 5,67%
YTL denominated borrowings	19,26% - 20,75%	14,8%
Kazakh Tenge denominated borrowings	8%	-
Jordanian Dinar denominated borrowings	-	7%- 8%
Long-term		
USD denominated borrowings	Libor+(0,55%)	4%- 10,61%
EUR denominated borrowings	Euribor+(0,55%)	-

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

6. BORROWINGS (continued)

Repayment plans of long-term borrowings as of December 31, 2006 and 2005 are scheduled as follows (including current portion of long term borrowings, excluding finance lease obligation):

	December 31, 2006	December 31, 2005
2006	-	9.576
2007	1.724	3.355
2008	163.522	5.367
	165.246	18.298

As of December 31, 2006, CCI has been a guarantor for the short term and long term borrowings of its subsidiaries amounting to YTL 99.639.

7. TRADE RECEIVABLES AND PAYABLES**Trade Receivables**

	December 31, 2006	December 31, 2005
Trade receivables	141.293	119.303
Cheques receivables	4.243	4.364
Other	396	395
Less: Allowance for doubtful receivables (-)	(8.451)	(7.074)
Total	137.481	116.988

Trade Payables

	December 31, 2006	December 31, 2005
Suppliers	70.380	45.855
	70.380	45.855

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

8. LEASE RECEIVABLES AND OBLIGATIONS

The details of financial lease obligations as of December 31, 2006 and 2005 according to their maturity are as follows:

	December 31, 2006	December 31, 2005
Next 1 year	285	1.231
1 year through 5 years	93	-
Discounted total lease obligations, net	378	1.231

As of December 31, 2006 and 2005 lease obligations are held in the following currencies:

	December 31, 2006		December 31, 2005	
	Current	Non-current	Current	Non-current
USD	285	93	1.208	-
Euro	-	-	23	-
	285	93	1.231	-

The effective interest rates of lease obligations at the balance sheet date are as follows:

	December 31, 2006	December 31, 2005
USD	8,5%	2,81%- 6,62%
Euro	-	3,9%

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****9. RELATED PARTY BALANCES AND TRANSACTIONS**

Balances with related parties, which are separately classified in the consolidated balance sheets and the most significant transactions with related parties are as follows:

	December 31, 2006			
	Sales to related parties and other charges	Purchases from related parties and other charges	Amounts owed by related parties	Amounts owed to related parties
Shareholders				
Efpa	-	18	-	-
TCCEC	5.501	-	-	-
	5.501	18		
Other				
Anadolu Endüstri Holding A.Ş.	-	1.166	-	171
Beverage Partners Worldwide	-	2.687	1.117	-
TCCC	49.917	355.193	2.919	30.220
Etap Group companies	775	18.198	-	619
Turkmenistan CC	-	-	242	-
Efes Karaganda Brewery J.S.C.	1.182	16.912	122	1.355
European Refreshments	-	3.580	-	-
Other	100	830	-	95
	51.974	398.566	4.400	32.460
Due from / due to personnel	-	-	493	2.195
Total	57.475	398.584	4.893	34.655

	December 31, 2005			
	Sales to related parties and other charges	Purchases from related parties and other charges	Amounts owed by related parties	Amounts owed to related parties
Shareholders				
TCCEC	-	161	-	-
	-	161	-	-
Other				
Anadolu Endüstri Holding A.Ş.	34	531	886	1
Beverage Partners Worldwide	-	2.035	1.529	-
Coca-Cola Georgia	-	-	59	-
Etap Grubu	-	15.252	-	1.015
The Coca-Cola Company	38.973	315.509	914	30.618
Beverage J.S.C.	-	-	682	-
Turkmenistan CC	-	-	231	-
Efes Breweries International B.V.	-	-	135	-
Efes Karaganda Brewery J.S.C.	4.921	12.909	-	955
Other	-	-	-	150
	43.928	346.236	4.436	32.739
Due from / due to personnel	-	-	-	1.458
Total	43.928	346.397	4.436	34.197

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

9. RELATED PARTY BALANCES AND TRANSACTIONS (continued)

As of December 31, 2006 and 2005 purchases from related parties and significant portion of other charges consist of fixed asset, raw material purchases and toll production.

As of December 31, 2006 and 2005 sales to related parties and other charges consist of sale of finished goods and support charges of promotional expenses reflected to related parties

As of December 31, 2006, the executive members of the Board of Directors, Chief Executive Officer, Chief Operating Officers, general director and coordinators received remuneration amounting to YTL 6.619 (December 31, 2005- 5.913 YTL).

10. OTHER RECEIVABLES AND LIABILITIES*Other Receivables*

	December 31, 2006	December 31, 2005
Prepaid taxes	13.934	20.737
Value added tax receivable	8.734	9.434
Other	798	161
	23.466	30.332

Other Liabilities

	December 31, 2006	December 31, 2005
Deposits and advances received	35.289	10.150
Taxes and duties payable	13.622	10.108
Value added tax payable	2.761	2.643
Social security premium payable	3.846	3.271
Other	66	69
	55.584	26.241

11. BIOLOGICAL ASSETS

None (December 31, 2005 – None).

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

12. INVENTORIES

	December 31, 2006	December 31, 2005
Finished goods	39.541	35.572
Raw materials	64.572	50.408
Spare parts	10.201	9.759
Packaging materials	10.462	6.340
Advertising and sales promotion materials	7.780	8.086
Goods in transit	35.191	4.103
Less: reserve for obsolescence (-)	(1.812)	(1.433)
	165.935	112.835

13. RECEIVABLE AND PAYABLE FROM CONTINUING CONSTRUCTION CONTRACTS

None (December 31, 2005 - None).

14. DEFERRED TAX ASSETS and LIABILITIES

The list of temporary differences and the resulting deferred tax assets/(liabilities), as of December 31, 2006 and 2005 using the prevailing effective statutory tax rates is as follows:

	December 31, 2006		December 31, 2005	
	Temporary Difference	Deferred Tax Assets/ (Liabilities)	Temporary Difference	Deferred Tax Assets/ (Liabilities)
Tangible and intangible assets	(144.177)	(28.028)	(106.060)	(31.818)
Unused investment incentives	32.254	9.676	13.906	4.172
Lease transactions	3.790	1.144	2.248	674
Employee termination and other employee benefits	26.875	5.567	19.999	6.000
Tax loss carried forward	18.792	4.743	33.400	10.020
Trade receivables, payables and other	487	33	(1.787)	(536)
Inventory	(15.695)	(4.893)	(22.878)	(6.863)
	(77.674)	(11.758)	(61.172)	(18.351)
Deferred tax liability		8.462		-
Deferred tax asset		(20.220)		(18.351)
Deferred tax liability, net		(11.758)		(18.351)

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

14. DEFERRED TAX ASSETS and LIABILITIES (continued)

As of December 31, 2006 and 2005, the movement of deferred tax liability is as follows:

	December 31, 2006	December 31, 2005
Balance at January 1,	18.351	23.315
Addition through subsidiary acquired	2.603	(3.607)
Deferred tax expense / (income) (Note 41)	(9.469)	(1.292)
Currency translation adjustment	273	(65)
	11.758	18.351

15. OTHER CURRENT / NON-CURRENT ASSETS AND LIABILITIES**a) Other current assets**

	December 31, 2006	December 31, 2005
Prepaid expenses	17.029	3.089
Other	2.488	378
	19.517	3.467

b) Other non-current assets

	December 31, 2006	December 31, 2005
Prepaid expenses	8.440	14.695
Other	190	306
	8.630	15.001

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

16. INVESTMENTS

Entity	Principle Activities	Country of Business	Carrying Value	December 31, 2006	
				Ownership Interest (%)	Group's share of loss
Turkmenistan CC	Production, bottling, distribution and selling of Coca-Cola products	Turkmenistan	2.535	33,25%	(232)

Entity	Principle Activities	Country of Business	Carrying Value	December 31, 2005	
				Ownership Interest (%)	Group's share of loss
Turkmenistan CC	Production, bottling, distribution and selling of Coca-Cola products	Turkmenistan	2.643	29,14%	(365)

As of December 31, 2006, total assets of Turkmenistan CC amounts to YTL 17.147 (December 31, 2005 – YTL 16.060), total liabilities amounts to YTL 9.520 (December 31, 2005 – YTL 8.107), revenue for the year end December 31, 2006 amounts to YTL 6.390 (December 31, 2005 – YTL 5.495) and current year loss amounts to YTL 699 (December 31, 2005 – YTL 1.252).

17. POSITIVE/NEGATIVE GOODWILL

As of December 31, 2006 and December 31, 2005 movements of positive goodwill are as follows:

	January 1, 2005	Additions	December 31, 2005	Additions	Currency Translation Adjustment	December 31, 2006
Cost	12.018	36.928	48.946	-	1.757	50.703
Accumulated depreciation	(12.018)	-	(12.018)	-	-	(12.018)
Net book value	-	36.928	36.928	-	1.757	38.685

As explained with the details in “Basis of Consolidation” caption under Note 2, the negative goodwill amounting to YTL 770, arised from the acquisition of Mahmudiye in 2006 and is accounted under other income from operations. The positive goodwill amounting to YTL 36.928 arised from the acquisition of Efes Sinai by CCI in 2005. The negative goodwill equivalent to YTL 9.654 due to the acquisition of TCCBCJ by Efes Sinai in 2005 is accounted as income under other income from operations (Note 38).

18. INVESTMENT PROPERTY

None (December 31, 2005 - None).

(Convenience Translation of Financial Statements and Footnotes Originally Issued in Turkish – See Note 44(d))

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

19. PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings	Machinery and Equipment	Vehicles	Furniture and Fixtures	Other Tangible Assets	Leaschold Improvements	Construction in Progress	Advances Given	Total
Net book value at December 31, 2004	168.203	190.934	5.579	6.481	77.689	931	5.237	5.137	460.191
Additions	12.831	15.453	5.184	459	38.138	44	30.311	-	102.420
Disposals, net	(30)	-	(1.168)	(579)	(1.285)	-	-	-	(3.062)
Transfers	5.649	22.780	1.144	-	3.545	-	(32.506)	(612)	-
Additions through subsidiary acquired	39.028	50.706	4.978	167	12.083	-	-	-	106.962
Provision for impairment	-	(2.592)	-	-	(400)	-	-	-	(2.992)
Depreciation charge for the current year	(5.561)	(34.701)	(1.472)	(1.827)	(25.129)	(99)	-	-	(68.789)
Net book value at December 31, 2005	220.120	242.580	14.245	4.701	104.641	876	3.042	4.525	594.730
Additions	7.764	46.114	10.734	1.210	48.976	1	68.389	20.214	203.402
Disposals, net	(300)	(1.761)	(630)	(413)	(263)	-	-	-	(3.367)
Transfers	1.517	3.716	-	30	59	-	(5.322)	-	-
Additions through subsidiary acquired	3.466	876	36	33	153	-	1.373	-	5.937
Provision for impairment	-	(2.798)	-	-	-	-	-	-	(2.798)
Currency translation adjustment	2.750	2.615	308	65	872	-	-	-	6.610
Depreciation charge for the current year	(6.796)	(37.243)	(3.269)	(1.664)	(33.661)	(95)	-	-	(82.728)
Net book value at December 31, 2006	228.521	254.099	21.424	3.962	120.777	782	67.482	24.739	721.786
At December 31, 2005									
Cost	274.052	793.374	40.955	24.519	313.912	1.555	3.042	4.525	1.455.934
Accumulated depreciation	(46.163)	(512.728)	(26.710)	(19.818)	(202.581)	(679)	-	-	(808.679)
Accumulated provision for impairment	(7.769)	(38.066)	-	-	(6.690)	-	-	-	(52.525)
Net book value at December 31, 2005	220.120	242.580	14.245	4.701	104.641	876	3.042	4.525	594.730
At December 31, 2006									
Cost	286.392	816.605	44.879	20.557	345.995	1.556	67.482	24.739	1.608.205
Accumulated depreciation	(52.852)	(524.257)	(23.763)	(16.660)	(219.400)	(774)	-	-	(837.706)
Accumulated provision for impairment	(7.769)	(40.864)	-	-	(6.690)	-	-	-	(55.323)
Currency translation adjustment	2.750	2.615	308	65	872	-	-	-	6.610
Net book value at December 31, 2006	228.521	254.099	21.424	3.962	120.777	782	67.482	24.739	721.786

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****19. PROPERTY, PLANT AND EQUIPMENT (continued)****Impairment Loss**

For the year ended December 31, 2006 the Group had provided impairment losses amounting to YTL 2.798 (December 31, 2005 - 2.992 YTL) for property, plant and equipment that had greater carrying value than its estimated recoverable amount, which was calculated over its estimated selling price.

Borrowing Costs Capitalized on Property, Plant and Equipment

The Group did not capitalize any borrowing costs on property, plant and equipment as of December 31, 2006 and 2005.

Finance Leases

Property leased by the Group includes coolers, vehicles, buildings, machinery and equipment.

The analysis of assets under finance leases included in property, plant and equipment is as follows:

	December 31, 2006	December 31, 2005
Machinery and equipment	20.593	19.830
Buildings	172	200
Vehicles	843	2.750
Other tangible assets	23.065	31.745
Total	44.673	54.525
Accumulated depreciation	(17.430)	(22.798)
Net book value	27.243	31.727

20. INTANGIBLE ASSETS

	January 1, 2006	Additions/ (Amortization)	Disposals	Intangible assets occurred in scope of consolidation	Currency translation adjustment	December 31, 2006
Cost						
Software rights	10.010	599	(26)	-	238	10.821
Rights	-	356	-	-	-	356
Water sources usage right	-	-	-	9.992	-	9.992
Bottlers and distribution agreements	243.268	-	-	-	11.567	254.835
Accumulated amortization(-)						
Software rights	(3.295)	(799)	25	-	(43)	(4.112)
Rights	-	(2)	-	-	-	(2)
Water sources usage right	-	(669)	-	-	-	(669)
Net book value	249.983	(515)	(1)	9.992	11.762	271.221

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****20. INTANGIBLE ASSETS (continued)**

	January 1, 2005	Additions/ (Amortization)	Additions through subsidiaries acquired	Intangible assets occurred in scope of consolidation	December 31, 2005
Cost					
Software rights	4.551	619	4.840	-	10.010
Bottlers and distribution agreements	-	-	-	243.268	243.268
Accumulated amortization(-)					
Software rights	(2.165)	(775)	(355)	-	(3.295)
Net book value	2.386	(156)	4.485	243.268	249.983

21. ADVANCES TAKEN

None (December 31, 2005 - None).

22. POST-RETIREMENT BENEFITS

None (December 31, 2005 - None).

23. PROVISIONS**a) Short term provisions**

	December 31, 2006	December 31, 2005
Provision for corporate tax	-	9.057
Management premium accrual	3.955	3.017
Expense accruals	9.420	1.401
	13.375	13.475

As of December 31, 2006 and 2005, movements of the management premium accrual is as follows:

	December 31, 2006	December 31, 2005
Balance at January 1,	3.017	3.102
Payments made	(3.017)	(3.102)
Current year charge	3.955	3.017
	3.955	3.017

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

23. PROVISIONS (continued)**b) Long term provisions**

As of December 31, 2006 and 2005, details of long term provisions are as follows:

	December 31, 2006	December 31, 2005
Long-term incentive plan accrual	2.608	2.095
Vacation pay accrual	2.994	2.385
Employee termination benefit accrual	14.589	12.673
	20.191	17.153

As of December 31, 2006 and 2005, the movements of long term provisions (other than employee termination benefits) are as follows:

	December 31, 2006		December 31, 2005	
	Vacation pay liability	Long-Term incentive plan	Vacation pay liability	Long-Term incentive plan
Balance at January 1,	2.385	2.095	2.080	1.428
Payments made	(148)	(1.035)	(112)	(448)
Current year charge	757	1.548	417	1.115
Balance at period/year end	2.994	2.608	2.385	2.095

Employee Termination Benefits

In accordance with existing social legislation, the Company and its subsidiaries operating in Turkey are required to make lump-sum payments to employees who have completed at least one year of service with the Company and whose employment is terminated due to retirement or for reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay and limited to a maximum of YTL 1,86 (December 31, 2005- YTL 1,73) per year of employment at the rate of pay applicable at the date of retirement or termination. The Company accounts for the statutory termination in accordance with the provisions of IAS 19, including the application of actuarial methods and assumptions in consultation with professional actuaries. The benefit obligation has been measured at balance sheet dates for each period presented.

The movement of the defined benefit obligation recognized in the consolidated balance sheet is as follows:

	December 31, 2006	December 31, 2005
At January 1,	12.673	10.306
Interest expense	1.512	1.757
Benefit payments	(1.150)	(720)
Current year service charge and actuarial gain / loss	1.554	1.330
Defined benefit obligations	14.589	12.673

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

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24. MINORITY INTEREST

Minority interest is classified separately on consolidated financial statements. As of December 31, 2006, minority interest is amounted to YTL 17.351 (December 31, 2005 – YTL 54.347).

25. SHARE CAPITAL

	December 31, 2006	December 31, 2005
Common shares 1 YKr par value		
Authorized and issued (units)	25.437.078.200	24.958.977.000

Share Capital Subsidiaries Elimination

CCSD acquired 5,60% of CCI shares from E. Özgörkey İçecek Yatırımı A.Ş. for an amount of YTL 57.821. The effect of this transaction has been accounted as “Share Capital Subsidiaries Elimination” under equity as of December 31, 2005. During the initial public offering of CCI in May 2006, CCSD sold its CCI shares and the gain from this sale amounting YTL 30.371 is classified under “Accumulated Profits” in the shareholders’ equity as YTL 24.296 after deducting the tax in the consolidated balance sheet as of December 31, 2006.

26–27–28. SHARE CAPITAL / PROFIT RESERVES and RETAINED EARNINGS**Legal Reserves**

The legal reserves consist of first and second legal reserves, in accordance with the Turkish Commercial Code (TCC). The Turkish Commercial Code (TCC) stipulates that the first legal reserve is appropriated out of historical statutory profits at the rate of 5% per annum, until the total reserve reaches 20% of the Group’s historical paid-in share capital. (inflation adjusted capital based on CMB’s communiqué and announcements). The second legal reserve is appropriated at the rate of 10% per annum of all cash distributions in excess of 5% of the historical paid-in share capital (inflation adjusted capital in accordance with CMB). Under TCC, the legal reserves are only available for to net-off losses unless they exceed 50% of the historical paid-in share capital otherwise they are not allowed to be used for other purposes.

Based on the CMB Communiqué Serial: XI, No: 25 part fifteen article 399, the amount included in “Prior Year Losses” account resulting from the first application of inflation accounting should be considered as a deduction during the identification of the profit to be distributed based on the inflation adjusted financial statements. Accordingly, the amount followed under “Prior Year Losses” account may be offset against period income and retained earnings if exists, and the remaining losses against extraordinary reserves, legal reserves and equity restatement differences, respectively.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

26–27–28. SHARE CAPITAL / PROFIT RESERVES and RETAINED EARNINGS (continued)

As of December 31, 2006 and 2005 breakdown of the equity of the Company is as follows.

	December 31, 2006			December 31, 2005		
	Historical Amount	Inflation Restatement Differences	Restated Amount	Historical Amount	Inflation Restatement Differences	Restated Amount
Share Capital	254.371	(8.559)	245.812	249.589	(8.559)	241.030
Legal Reserves	30.450	13.396	43.846	17.822	12.685	30.507
Extraordinary Reserves	33.690	9.551	43.241	52	3.360	3.412

Dividends

In year 2006, the Group paid dividend related with the fiscal year of 2005 to its shareholders with an amount of YTL 0,0019 (full YTL) per share and YTL 47.501 nominal. During 2005, the dividend distributed by Group from the earnings of fiscal year 2004 amounted to YTL 0,0031 (full YTL) per share and YTL 78.390 nominal.

(Convenience Translation of Financial Statements and Footnotes Originally Issued in Turkish – See Note 44(d))

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

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26–27–28. SHARE CAPITAL / PROFIT RESERVES and RETAINED EARNINGS (continued)

Consolidated Statement of Shareholders' Equity	Share Capital	Share Capital Inflation Adjustment Differences	Share Premium	Currency Translation Adjustment	Treasury Shares	Accumulated Profit and Current Period Net Income / (Loss)	Total
Balance at January 1, 2005	223.681	(8.559)	-	-	-	304.010	519.132
Share capital increase							
-Cash	25.788	-	-	-	-	-	25.788
-Accumulated profit	120	-	-	-	-	(120)	-
Share premiums	-	-	170.257	-	-	-	170.257
Dividends paid	-	-	-	-	-	(78.390)	(78.390)
Purchase of treasury shares	-	-	-	-	(57.821)	-	(57.821)
Net income for the period	-	-	-	-	-	87.282	87.282
Balance at December 31, 2005	249.589	(8.559)	170.257	-	(57.821)	312.782	666.248
Share capital increase							
-Capital increase by merge (Note 1)	4.782	-	43.984	-	-	(3.035)	45.731
Dividends paid	-	-	-	-	-	(47.501)	(47.501)
Currency translation adjustment	-	-	-	15.439	-	-	15.439
Income from sale of Company shares held by a subsidiary (Note 25)	-	-	-	-	57.821	24.296	82.117
Net income for the period	-	-	-	-	-	86.707	86.707
Balance at December 31, 2006	254.371	(8.559)	214.241	15.439	-	373.249	848.741

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

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29. FOREIGN CURRENCY POSITION

As of December 31, 2006 and 2005, the foreign currency position of the companies of the Group which operate in Turkey and functional currency of which is YTL is as follows:

	December 31, 2006	December 31, 2005
Foreign currency assets	14.494	9.959
Foreign currency liabilities	(239.202)	(275.650)
Net foreign currency liabilities	(224.708)	(265.691)

30. GOVERNMENT INCENTIVES

Investment Incentives

The Group has various investment incentives related with its capital expenditures with the rate of 40% in order to deduct from corporate tax. (Within the New Tax Law this advantage will not be used in case of 20% tax rate is selected). The Group did not utilize any investment incentive since there was no tax base as of December 31, 2006. For the year ended December 31, 2005, the amount of utilized investment incentive was YTL 64.486 and for the year ended December 31, 2006 deferred investment incentive is amounting to YTL 32.254 (December 31, 2005- YTL 13.906)

The Company has two different investment incentives, according to these incentives, investment amount is YTL 31.346.

31. PROVISIONS, CONTINGENT ASSETS and LIABILITIES

Litigations against the Group

The Group is involved on an ongoing basis in litigation arising in the ordinary course of business as of December 31, 2006 with an amount of YTL 1.214 (December 31, 2005- YTL 985). As of December 31, 2006, the results of these cases are not certain yet. In the opinion of management, the outcome of such litigation currently pending will not materially affect the Group's results of operations, financial condition or liquidity.

CCI and CCSD

Provisions and Contingent Liabilities

As of December 31, 2006, the aggregate amount of letters of guarantee given is YTL 4.301 (December 31, 2005- YTL 4.492).

The Group has not undergone a tax inspection for any type of tax for any open years; such as any additional tax relating to open years can not be estimated with any degree of certainty. Management does not anticipate that any additional liabilities may arise.

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

31. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

Letter of Credits

As of December 31, 2006, the Group obtained letter of credit amounting to YTL 3.207 in total to purchase machinery.

Operating Leases

The CCI and CCSD have signed various operating lease agreements for vehicles.

YTL 141 of rent expense were reflected for the year ended December 31, 2006 (December 31, 2005- YTL 205) in the consolidated income statements due to the non-cancellable operating lease agreement for vehicles.

As of December 31, 2006 and 2005, future minimum lease payments under non-cancelable operating lease agreements are as follows:

	December 31, 2006	December 31, 2005
Next 1 year	378	135

Subsidiaries

Pledges

There is no pledge as of December 31, 2006.

As of December 31, 2005, related with the credit line obtained from a local bank, there is a pledge on Almaty CC's inventories amounting to YTL 2.415.

As of December 31, 2005 certain items of property, plant and equipment of Azerbaijan CC amounting to YTL 1.594 were pledged as security for the supply of concentrate agreement with Varoise De Concentres S.A. (related party)

Mortgage

As of December 31, 2006, there is a mortgage on the buildings and land amounted to YTL 3.463 for the loan obtained from Arab Bank by TCCBCJ (December 31, 2005- YTL 3.306).

Letter of Credits

As of December 31, 2006, Azerbaijan CC obtained letter of credits amounting to YTL 533 in total to purchase vehicle from its supplier.

Guarantee Letters

As of December 31, 2006, amount of letters of guarantee obtained from banks and given to suppliers and government authorities is YTL 453 (December 31, 2004-YTL 46).

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

31. PROVISIONS, CONTINGENT ASSETS and LIABILITIES (continued)

Tax Matters Related to the Subsidiary in the Republic of Kazakhstan

The taxation system in Kazakhstan is evolving as the government transforms itself from a command to a market oriented economy. The various legislation and regulations are not always clearly written and their interpretation is subject to the opinions of the local tax inspectors, National Bank officials, and the Ministry of Finance. Instances of inconsistent opinions between local, regional and national tax authorities and between the National Bank and the Ministry of Finance are usual.

The current regime of penalties and interest related to reported and discovered violations of the Kazakhstani law, decrees and related regulations include confiscation of the amounts at issue (for currency law violations), as well as fines of generally 50% of the taxes unpaid. Interest is assessable at rates of generally 0,03% per day.

Tax Matters Related to the Subsidiary in Kyrgyzstan

In accordance with local tax regulation, companies are subject to a 10% income tax rate starting from 2006 in Kyrgyzstan (December 31, 2005- 20%).

Tax Matters Related to the Subsidiary in Azerbaijan

In accordance with local tax regulation, Azerbaijan CC is subject to a 22% income tax rate. Companies are required to file profit tax declarations on an annual basis (December 31, 2005- 24%).

Tax Matters Related to the Subsidiary in Jordan

TCCBCJ is subject to corporate income tax of 15% on taxable profit as determined under the laws of Jordan. As of December 31, 2006, the accumulated losses of TCCBCJ are amounting to YTL 56.091 (December 31, 2005- YTL 48.313).

32. BUSINESS COMBINATIONS

Company acquired 99,99% shares of Mahmudiye which operates in the natural spring water business at March 16, 2006. Detailed information related with the acquisition of Mahmudiye is presented under “Basis of Consolidation” caption in Note 2. As disclosed in Note 1 with details under “Changes in Group Structure” caption, CCI and Efes Sinai whose 87.63% of the shares were acquired by the Company in 2005, merged on December 25, 2006.

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

33. SEGMENT REPORTING

CCI purchased 87,63% of the Efes Sımai's shares in November 2005. The Group started segment reporting according to geographical segments due to the foreign subsidiaries acquired in 2005. However, only the financial results of foreign subsidiaries between November 15, 2005 and December 31, 2005 were included in the consolidated income statement and since the effect was immaterial, the Group made segment reporting for only total assets and liabilities in 2005. Information per geographical segments for the year ended December 31, 2006 is as follows:

	December 31, 2006			
	Domestic	Foreign	Elimination	Consolidated
Revenues (net)	1.391.946	289.619	(14.394)	1.667.171
Gross profit	436.532	88.266	203	525.001
Operating expenses (-)	(290.201)	(59.151)	858	(348.494)
Profit from operations, net	146.331	29.115	1.061	176.507
Operating profit	78.894	23.269	604	102.767
Income before tax	78.894	21.870	(2.087)	98.677
Tax charge	(4.282)	(7.339)	(349)	(11.970)
Net income	74.612	14.531	(2.436)	86.707

	December 31, 2006			
	Domestic	Foreign	Elimination	Consolidated
Segment assets	1.310.822	348.772	(203.914)	1.455.680
Investments in associates	-	2.535	-	2.535
Total assets	1.310.822	351.307	(203.914)	1.458.215
Segment liabilities	433.938	164.665	(6.480)	592.123
Total liabilities	433.938	164.665	(6.480)	592.123
Purchase of property, plant and equipment and intangible asset	160.870	53.479	-	214.349
Depreciation and amortisation expenses	69.337	14.861	-	84.198
Other non-cash items	3.823	1.475	-	5.298

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****33. SEGMENT REPORTING (continued)**

As of December 31, 2005 total assets and total liabilities per geographical segments is as follows:

	December 31, 2005			
	Domestic	Foreign	Elimination	Consolidated
Segment assets	1.157.814	257.319	(201.882)	1.213.251
Investments in associates	-	2.643	-	2.643
Total assets	1.157.814	259.962	(201.882)	1.215.894
Segment liabilities	403.621	114.179	(22.501)	495.299
Total liabilities	403.621	114.179	(22.501)	495.299
Purchase of property, plant and equipment and intangible asset	75.483	27.556	-	103.039
Depreciation and amortisation expenses	68.639	925	-	69.564
Other non-cash items	3.504	(169)	-	3.335

34. SUBSEQUENT EVENTS

The Group will continue to produce, sell and distribute natural spring water with brand name of “Damla”, that is acquired from Coca-Cola Meşrubat Pazarlama ve Danışmanlık Hizmetleri A.Ş., on December 15, 2006, instead of “Doğazen” brand name.

The Group has established a new company in Iraq whose %60 shares owned by The Coca-Cola Bottling Company of Iraq FZCO in accordance with the Board of Directors decision dated December 29, 2006. The new subsidiary “CC Beverage Limited” will produce, sale and distribute Coca-Cola branded products in North Iraq.

The Group approved the utilization of USD 200 million syndicated loan from a consortium of six banks. The facility will be used mainly for financing production capacity increase in order to meet increasing consumer demand. The capital payment of the loan with Libor + 0,91% interest rate and three year maturity will realize at the end of the maturity period.

In accordance with the Board of Directors Meeting held on March 5, 2007, it is approved that Efes Invest Holland B.V., subsidiary of the Company, will establish a company in Tajikistan with the trade name of “CC Trade Limited Liability Company” and will have a 90% share.

According to the Board of Directors Meeting held on March 12, 2007, it is approved to purchase 50% share in “Syrian Soft Drinks Sales and Distribution L.L.C.”, through it’s subsidiary Efes Invest Holland B.V. from Anadolu Endüstri Holding A.Ş. for YTL 411.

35. DISCONTINUING OPERATIONS

None (December 31, 2005 – None).

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

36. OPERATING INCOME**a) Net Sales**

	December 31 2006	December 31 2005
Gross sales	2.280.868	1.709.767
Sales discounts	(494.684)	(422.320)
Other discounts	(119.013)	(103.569)
	1.667.171	1.183.878

b) Cost of Sales

	December 31 2006	December 31 2005
Raw material cost	998.947	727.576
Depreciation expenses and amortization	43.784	38.193
Personnel expenses	38.601	28.289
Other expenses	60.838	28.841
	1.142.170	822.899

37. OPERATING EXPENSES

	December 31 2006	December 31 2005
Selling and marketing expenses	282.116	207.178
General administrative expenses	66.378	40.233
	348.494	247.411

a) Selling and marketing expenses	December 31 2006	December 31 2005
Marketing and advertising expenses	75.954	56.390
Personnel expenses	78.380	54.673
Transportation expenses	59.177	45.701
Depreciation on property, plant and equipment	34.882	26.853
Maintenance expenses	8.284	6.429
Utilities and communication expenses	13.861	8.834
Insurance expenses	853	864
Rent expenses	5.195	2.479
Other	5.530	4.955
	282.116	207.178

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

37. OPERATING EXPENSES (continued)

	December 31	December 31
b) General administrative expenses	2006	2005
Personnel expenses	39.207	24.178
Depreciation on property, plant and equipment	3.600	3.349
Consulting and legal fees	6.844	2.735
Utilities and communication expenses	2.108	1.932
Provision for doubtful receivables	2.304	1.015
Repair and maintenance expenses	1.212	1.002
Insurance expenses	491	190
Rent expenses	2.205	1.849
Other	8.407	3.983
	66.378	40.233

	December 31	December 31
c) Depreciation and amortization expenses	2006	2005
Property, plant and equipment		
Cost of sales	42.352	37.418
Operating expenses	38.444	30.202
Inventory	1.932	1.169
Intangible assets		
Cost of sales	1.432	775
Operating expenses	38	-
	84.198	69.564

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

38. OTHER OPERATING INCOME / EXPENSE

	December 31, 2006	December 31, 2005
Other income		
Foreign exchange gain	32.037	5.298
Gain on sale of scrap materials	1.325	1.452
Interest income	13.031	2.936
Gain on disposal of property, plant and equipment	3.217	1.958
Negative Goodwill (Note 2 and 17)	770	9.654
Other income	3.350	823
	53.730	22.121
Other expense		
Foreign exchange loss	(38.300)	(6.347)
IPO expenses	(1.132)	(1.523)
Provision for the impairment of goodwill	-	(2.057)
Donations	(2.620)	-
Provision for the impairment of fixed assets	(2.798)	(2.992)
Legal expenses	(967)	(957)
Other expenses	(1.613)	(789)
	(47.430)	(14.665)

39. FINANCIAL EXPENSES (net)

	December 31 2006	December 31 2005
Foreign exchange gain / (loss), net	(45.084)	1.207
Interest expense	(31.864)	(12.738)
Finance charges paid under finance leases	(17)	(239)
Loss from forward transactions	(3.075)	-
	(80.040)	(11.770)

40. TRANSLATION GAIN / LOSS

None (December 31, 2005 – None).

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****41. INCOME TAXES****General information**

The Group is subject to taxation in accordance with the tax regulations and the legislation effective in the countries in which the Group companies operate. In Turkey, the tax legislation does not permit a parent company and its subsidiaries to file a consolidated tax return. Therefore, provision for taxes, as reflected in the consolidated financial statements, has been calculated on a separate-entity basis. Refer to Note 31, for the detailed income tax information of foreign subsidiaries.

Effective from January 1, 2006, the corporate tax rate was reduced to 20% (2005 – 30%). Corporate tax returns are required to be filed until the twenty-fifth of the fourth month following the balance sheet date and paid in one installment by the end of the fourth month.

The tax legislation provides for a temporary tax of 20% (2005-30%) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final corporate tax liability for the year.

In addition, the Turkish government offers investment incentives to companies that make certain qualifying capital investments in Turkey. Prior to April 24, 2003, the total amount of qualifying capital investments was deducted from taxable income and the remainder of taxable income, if any, was taxed at the corporate rate. A withholding tax of 19.8% was applied to the total amount of qualifying capital investments. With effect from April 24, 2003, the investment incentives scheme was amended such that goods, services or purchase of new assets amounting over YTL 10.000 which have a useful life or are related directly with the operations of company deduct 40% of qualifying capital investments directly from their annual taxable income. In addition, corporations that had unused qualifying capital investment amounts from periods prior to April 24, 2003 were entitled to carry forward these and apply the 19.8% withholding tax to these amounts in the manner described above. With the new law enacted, effective from January 1, 2006, Turkish government ceased to offer investment incentives for capital investments. Companies having unused qualifying capital investment amounts from periods prior to December 31, 2005 will be able to deduct such amounts from corporate income until the end of December 31, 2008; however, the corporate tax rate will be 30% for them. Furthermore, qualifying capital investments to be made until the end of December 31, 2008 within the scope of the investment projects started before December 31, 2005 will be subject to investment incentive until the end of December 31, 2008. The company plans to use deferred investment incentives in the future.

Corporate tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

As of December 31, 2006 and 2005 tax expenses are as follows:

	December 31 2006	December 31 2005
Consolidated income statement		
Current year corporate income tax expense	21.439	22.496
Deferred tax income	(9.469)	(1.292)
Tax expense reflected in the consolidated income statement	11.970	21.204

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006**

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

41. INCOME TAXES (continued)

As of December 31, 2006 and 2005 the analysis of current period tax charge is as follows

	December 31 2006	December 31 2005
Income before minority and tax	102.767	109.254
Provision for corporate tax	(30.830)	(32.776)
Effect of investment incentive	5.504	4.171
Non-deductible expenses and other differences	11.536	9.840
Other	1.820	(2.439)
Provision for tax	(11.970)	(21.204)

42. EARNINGS / (LOSSES) PER SHARE

Basic earnings /(losses) per share is calculated by dividing net income / (loss) for the period by the weighted average number of ordinary shares outstanding during the related period concerned. As of December 31 2006 and 2005 earnings / (losses) per share is as follows:

	December 31 2006	December 31 2005
Net Income / (Loss)for the period	86.707	87.282
Weighted average number of ordinary shares	24.966.836.198	22.649.439.955
Earnings / (Losses) Per Share (Full YTL)	0,0035	0,0038

Coca-Cola İçecek Anonim Şirketi**Notes to Consolidated Financial Statements (Continued)****For the year ended December 31, 2006****(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))****43. CASH FLOW STATEMENT**

	December 31 2006	December 31 2005
Cash flows from operating activities:		
Net profit / (loss) before income tax and minority interest	102.767	109.254
Adjustments to reconcile net profit to net cash provided by operating activities		
Depreciation and amortization (including amortization of intangible assets)	84.198	69.564
Gain on sale of property, plant and equipment	(3.217)	(1.958)
Impairment loss in property, plant and equipment	2.798	2.992
Negative goodwill	(770)	2.057
Provision for employee termination benefits, management bonus, vacation payments	9.326	7.466
Provision for inventories	379	235
Provision for doubtful receivable, net	2.304	1.015
(Gain) / Loss from associates	232	-
Interest expense	31.864	11.726
Unrealized foreign exchange (income) / loss	9.596	(1.848)
Loss on derivative transactions	3.075	-
Net income adjusted for non-cash items	242.552	200.503
Trade receivables	(22.738)	(28.871)
Due from related parties	(457)	(43)
Inventories	(53.479)	(6.126)
Other current assets	(15.751)	(1.093)
Other non-current assets	6.371	1.005
Trade payables	23.201	12.335
Due to related parties	458	3.250
Employee termination benefits, vacation pay, management bonus payments	(5.350)	(4.382)
Taxes paid	(28.912)	(45.161)
Provisions	7.177	87
Other liabilities	29.342	1.747
Net cash generated from / (used in) operating activities	182.414	133.251
Cash flows from investing activities:		
Purchase of property, plant and equipment and intangibles	(204.358)	(103.039)
Proceeds from sale of property, plant and equipment	6.585	5.020
Marketable securities	(339)	(2.874)
Subsidiary acquired, net of cash (Note 2)	(10.940)	(312.246)
Liquidation of investments	-	106
Net cash used in investing activities	(209.052)	(413.033)
Cash flows from financing activities:		
Proceeds from short term bank borrowings	1.002.398	3.659.388
Repayments of short term bank borrowings	(982.041)	(3.430.225)
Interest paid	(27.791)	(8.856)
Dividends paid	(47.501)	(78.390)
Sale of treasury shares	88.191	(57.821)
Share capital increase	4.782	196.045
Net cash generated from financing activities	38.038	280.141
Currency translation adjustment	(4.686)	-
Net increase / (decrease) in cash and cash equivalents	6.714	359
Cash and cash equivalents at beginning of year	44.136	43.777
Cash and cash equivalents, period end	50.850	44.136

Coca-Cola İçecek Anonim Şirketi

Notes to Consolidated Financial Statements (Continued)

For the year ended December 31, 2006

(Currency—Thousands of New Turkish Lira unless otherwise indicated (YTL))

44. OTHER MATTERS WHICH ARE SIGNIFICANT TO THE FINANCIAL STATEMENTS OR WHICH SHOULD BE DISCLOSED FOR THE PURPOSE OF INTERPRETATION, TRUE AND FAIR PRESENTATION OF THE FINANCIAL STATEMENT

- a. As of December 31, 2006, the share capital of TCCBCJ reached to USD 68.200.000 from USD 53.200.000 as a result of share capital increases amounting to USD 15.000.000.
- b. Turkmenistan CC has an accumulated deficit amounting to USD 12.284.782 as of December 31, 2006, (including the current period loss of USD 488.728) and its current liabilities exceed its current assets as of the same date.
- c. As of December 31 2006 and 2005 net financial expenses of the Group is as follows:

	December 31 2006	December 31 2005
Interest expense	(31.881)	(12.977)
Interest income	13.031	2.936
Net financial expense	(18.850)	(10.041)

- d. The effect of differences between the Financial Reporting Standards published by Capital Market Board in Turkey and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the consolidated financial position and consolidated financial performance of Coca-Cola İçecek Anonim Şirketi and its subsidiaries in accordance with the accounting principles generally accepted in such countries and IFRS.